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File ID Number	20-1264
Introduction Date	6/24/2020
Enactment Number	20-1047
Enactment Date	6/24/2020 er



Memo

To Board of Education

From Kyla Johnson-Trammell, Superintendent
Lisa Grant-Dawson, Chief Business Officer
Ryan Nguyen, Controller

Board Meeting Date June 24, 2020

Subject Resolution No. 1920-0258 Request for Temporary Transfer of Funds – Up to \$30 Million – County of Alameda Treasury Due to Fluctuation in District Revenue and Receipts for Fiscal Year 2020-2021

Action Requested Approval by the Board of Education of Resolution No. 1920-0258 – Request for Temporary Transfer of Funds – up to \$30 Million – County of Alameda Treasury due to fluctuation in revenue and receipts for fiscal year 2020-2021.

Background The California Constitution and Education Code Section 42620 provide that the Treasurer of the County of Alameda has the power to temporarily transfer funds in the County’s custody to provide funds for meeting the obligation incurred for maintenance purposes by any school district. Such temporary transfer by the Treasurer of funds requires a request of this Board to the County Board of Supervisors. The funds transferred to the District cannot exceed 85% of anticipated revenue accruing to the District, cannot be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and must be repaid from the revenues accruing to the District before any other obligation of the District. Because of fluctuation in revenue and receipts, the District may not have sufficient cash to meet all its obligations incurred for operating requirements during the course of the year. The approval of this Resolution will authorize the District to request a temporary transfer of up to \$30 million dollars in needed funds from the County as an advance on the District revenue.

Fiscal Impact Fiscal impact is the interest cost on borrowed funds. The interest rate is the same as the interest earnings rate for the County Treasury.

Recommendation Approval by the Board of Education of Resolution No. 1920-0258 – Request Temporary Transfer of Funds – up to \$30 Million – County of Alameda Treasury due to fluctuation in revenue and receipts for fiscal year 2020-2021.

Attachments Resolution No. 1920-0258

**RESOLUTION OF THE BOARD OF EDUCATION
OF THE
OAKLAND UNIFIED SCHOOL DISTRICT**

RESOLUTION NO. 1920-0258

**REQUESTING TEMPORARY TRANSFER OF FUNDS IN AN AMOUNT NOT TO EXCEED \$30
MILLION DOLLARS FROM THE ALAMEDA COUNTY TREASURY DUE TO FLUCTUATION IN
DISTRICT REVENUE AND RECEIPTS FOR FISCAL YEAR 2020-2021**

WHEREAS, the California Constitution, Article XVI, Section 6 and Education Code Section 42620 provide that the Treasurer of the County of Alameda (Treasurer) shall have the power and it shall be the Treasurer's duty to make such temporary transfer from the funds that are in the County's custody and are paid out solely through the Treasurer's office as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any district whose funds are in the Treasurer's custody and are paid out solely through the Treasurer's office;

WHEREAS, such temporary transfer of funds shall not exceed 85% of anticipated revenue accruing to the Oakland Unified School District (District), shall not be made prior to the first day of 2020-2021(Fiscal Year), nor after the last Monday in April of the Fiscal Year, and shall be replaced from the revenues accruing to such District before any other obligation of the District; and

WHEREAS, due to fluctuation in District revenue and the cost reimbursement nature of certain Federal and State contracts, there may not be sufficient cash on hand at various points in time to provide funds for meeting obligations of the District at that point in time;

NOW, THEREFORE, BE IT RESOLVED, pursuant to the provisions of the California Constitution, Article XVI, Section 6, and Education Code Section 42620 as follows:

1. The Board of Supervisors of Alameda County is requested to direct the Treasurer to make a temporary transfer of funds in its custody to the District on or before the last Monday in April 2021 to the District to meet obligations incurred for maintenance purposes in the amount not to exceed \$30,000,000.00 (thirty million dollars), which amount does not exceed a total of 85% of the amount of money which will accrue to the District or the Alameda County school service fund during the Fiscal Year.

2. Funds will be transferred to the District by the Treasurer in sums as requested by the District Superintendent in order for the District to meet its obligations incurred for maintenance purposes so long as the total amount of funds transfers does not exceed \$30,000,000.00 (thirty million dollars).

3. Repayment of the funds is anticipated to be made from the revenues accruing to and identified by the District. Interest on any transferred funds will accrue and be payable by the District, at the greater of the same interest rate the County of Alameda Investment Pool is earning or a proxy TRAN cost as determined by the market until the entire amount transferred is repaid. Each month, the appropriate interest rate to be used will be identified, and the resulting calculated interest will be charged.

4. The Secretary of the District's Governing Board shall file a copy of this resolution with the Board of Supervisors, the County Superintendent of Schools, the County Auditor and Controller, and the County Treasurer-Tax Collector.

PASSED BY THE FOLLOWING VOTE:

PREFERENTIAL AYE: None

PREFERENTIAL NOE: None

PREFERENTIAL ABSTENTION: None

PREFERENTIAL RECUSE: None

AYES: Aimee Eng, Jumoke Hinton Hodge, Gary Yee, Roseann Torres, James Harris, Vice President Shanthi Gonzales, President Jody London

NOES: None

ABSTAINED: None

RECUSED: None

ABSENT: Mica Smith-Dahl (Student Director), Denilson Garibo (Student Director)

CERTIFICATION

We hereby certify that the foregoing is a full, true and correct copy of a Resolution passed at a Regular Meeting of the Board of Education of the Oakland Unified School District held on 24th Day of June, 2020.

OAKLAND UNIFIED SCHOOL DISTRICT



Jody London
President, Board of Education



Kyla Johnson-Trammell
Superintendent and Secretary, Board of Education

Resolution approved as to form by OUSD Staff Attorney Joanna Powell on 5/29/2020



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